

1 true?

2 A. No, sir. That would be a lie.

3 (Videotape playing stopped)

4 MR. BANDAS: Your Honor, at this time we will call  
5 John Flournoy by videotape deposition.

6 THE COURT: All right.

7 (**JON FLOURNOY**, Plaintiff's witness, via videotape)

8 (Videotape playing)

9 JON FLOURNOY,  
10 called as a witness herein, having been first duly sworn, was  
11 examined and testified as follows:

12 **EXAMINATION**

13 BY MR. SIGLER:

14 Q. Would you state your name, please.

15 A. Jon Flournoy.

16 Q. Mr. Flournoy, I understand that you're an employee of  
17 Gyro-Trac?

18 A. Yes, sir.

19 Q. Which Gyro-Trac entity are you employed by?

20 A. USA.

21 Q. Are you also here today to speak on behalf of the other  
22 Gyro-Trac entity that's a party to this case, or are you just  
23 here to speak on behalf of Gyro-Trac (USA)?

24 A. USA.

25 Q. You understand that that's your role here today; you are

**Exhibit H**

1 going to be speaking on behalf of Gyro-Trac (USA)?

2 A. I do.

3 Q. Does Gyro-Trac currently owe Rowmec any commissions under  
4 that agreement?

5 A. I don't know that for sure.

6 Q. Do you know one way or the other?

7 A. Not really.

8 Q. Do you know what the status of the commission payments to  
9 Rowmec is at this point in time?

10 A. I have an idea, but that's an accounting idea. I don't.

11 Q. Would Odette know about that?

12 A. I don't know. I think our accountant would know about  
13 that.

14 Q. And that's Dawn Wilson?

15 A. Wright, Dawn Wright.

16 Q. Wright. I apologize.

17 What would your idea be about the status of the  
18 commission payments to Rowmec?

19 A. I don't know. I know there is some disputes between his  
20 accounting and our accounting.

21 Q. But you just don't know one way or the other what the  
22 status of the commission payments of the company are; is that  
23 correct?

24 A. No, other than what I have heard, hearsay around, I don't  
25 know. Dawn Wright can answer that for you.

1 Q. What if you have technology, different technology applied  
2 to cutter head or cutter teeth products that's not Rowmec  
3 technology? Then would the agreement still require  
4 commissions to be paid to Rowmec?

5 A. No.

6 Q. Has Gyro-Trac in the past, in your experience, had  
7 trouble with accounting?

8 A. Yes.

9 Q. And what types of troubles have they had in general?

10 A. Confusion mostly. There seems to be at any given time  
11 until not too far in the distant future, there seems to be  
12 just inconsistencies. Records not seeming to make sense.

13 Q. That's happened in your relationship with Rowmec,  
14 Gyro-Trac's relationship with Rowmec?

15 A. It's happened in that relationship. It's happened on  
16 both sides of that relationship. I tried to make sense of  
17 theirs, and that didn't make any sense either, so.

18 Q. Has it happened in Gyro-Trac's relationship with others  
19 customers --

20 A. Yes.

21 Q. -- or people that they deal with?

22 A. Yes.

23 Q. Do you know if Rowmec was always charged the lowest  
24 available wholesale price to Gyro-Trac less an additional  
25 percent?

1 A. No, because I don't know what they get charged.

2 Q. When you say down here at the bottom, these problems are  
3 just a symptom of the real problem, do you mean the real  
4 problem being the accounting department at Gyro-Trac?

5 A. Uh-huh.

6 Q. Is that a yes?

7 A. Yes.

8 Q. Let me show you what I've marked as Exhibit 3. Is this a  
9 letter you sent to John O'Hagan --

10 A. Yes.

11 Q. -- terminating the dealer arrangement?

12 A. Yes.

13 Q. Did you write this letter?

14 A. I didn't actually write it, but I was a party to it and  
15 agreed to it.

16 Q. Who wrote it?

17 A. The group. We have a management team; so that would have  
18 been Odette, Bruce, myself, Daniel.

19 Q. Odette, Bruce, yourself?

20 A. Daniel Gaudreault.

21 Q. What's Bruce's last name?

22 A. Coy.

23 Q. With regard to the issue in the first paragraph, you talk  
24 about the reason for the termination is Rowmec's total and  
25 complete failure to perform its contractual obligations. Do

1 you see that?

2 A. Uh-huh.

3 Q. Then the letter goes on to say, the list of contractual  
4 obligations that have been breached by Rowmec include but are  
5 not limited to, and you go on to list several.

6 A. Paying for products, failure to service customers,  
7 failure to pursue sales opportunities, failure to properly  
8 train service staff.

9 Q. I can read that. And here's my question.

10 A. Okay.

11 Q. What other contractual obligations do you claim that  
12 Rowmec has breached other than those that are listed  
13 specifically in this letter? You say included, but not  
14 limited to. I want to know if there is any others you can  
15 think of sitting here as a represent of Gyro-Trac?

16 A. That's a very subjective question.

17 Q. Okay. Well, just give me a subjective answer then.

18 A. As a dealership they're failing.

19 Q. Okay.

20 A. As a dealership they are not going out on a daily basis  
21 and promoting and selling and demonstrating and doing the job  
22 to put the product out there. I have tried repeatedly to  
23 salvage this dealership and to get sales going in Texas, and  
24 it doesn't work for whatever reasons no matter how hard I try.  
25 I go and make sales in their territory and pay them for their

1 sales with them. I have done that a few times. I go and try  
2 to explain to them how this business works. This is a very  
3 different business. This is not like selling track hoes and  
4 bulldozers. You have to sell the business along with the  
5 machine. You can't just sell the machine and say, here, go do  
6 your work with this thing. People will go broke with it,  
7 which is what people are doing in Texas right now.

8 Q. Okay. So basically what you just said, plus what's in  
9 the letter?

10 A. Yes.

11 Q. Give me any specific examples you know of, of failure to  
12 service customers.

13 A. I don't know that I can think of any specific. I know  
14 that our departments have complained, have received  
15 complaints. Our service department has received complaints  
16 about the service or the quality of the service or the lack of  
17 response to service or the timeliness of service. But that's  
18 all in my service department. That's not something I have  
19 personal access to.

20 Q. So that's something you've heard, but you don't have any  
21 names; is that right?

22 A. No, Allen Davis has had a problem. Stanley Stew have had  
23 problems. And there are probably others, but I don't know  
24 which ones. Those are a couple in Arkansas.

25 Q. Okay. Say those names again.

1 A. Stanley Stew, S-T-E-W. Allen Davis, D-A-V-I-S.

2 Q. Those are customers in Arkansas that you think have had  
3 trouble with Rowmec?

4 A. They are people they have personally told me they've had  
5 problems.

6 Q. What do you know about where it says in the letter, 'the  
7 use of consigned Gyro-Trac equipment for Rowmec's benefit,' do  
8 you know when and how that occurred?

9 A. That's something that was told to me by Chris  
10 Connectstead of Environmental Land Clearing. He's up near  
11 Dallas, Texas; Tyler, Texas.

12 Q. He's a customer of some type?

13 A. He is a customer. There was a consternation around Chris  
14 Connectstead. He was buying a machine, one type of machine.  
15 When he called us he was unhappy with whatever was going on  
16 between he and Rowmec. He made some very strong statements  
17 about that. The machine that he wanted, as it turned out --  
18 and I told Mr. O'Hagan when this was happening, that he had  
19 called and that we were selling him the machine that he  
20 actually wanted. And his comments to me were that he lost a  
21 contract to Rowmec because they took the contract and did it  
22 with their demonstration equipment, which is one he rightfully  
23 thought that he should have had because he was buying the  
24 equipment to do the contract with.

25 Q. So Rowmec had actually contracted for the work

1 themselves?

2 A. That's what he told me, yes.

3 Q. Are you familiar at all with the invoicing, personally  
4 familiar with the invoicing in this case?

5 A. No, I can't make heads or tails out of it.

6 Q. Before the dealership agreement was terminated, did you  
7 have any contact with any Rowmec customers or anyone from  
8 Gyro-Trac have any contact with any Rowmec customers?

9 A. Yes.

10 Q. Did Gyro-Trac attempt to make sales directly to any  
11 Rowmec customers before the agreement was terminated by  
12 Gyro-Trac?

13 A. I definitely did.

14 Q. What customers did you try to deal with directly?

15 A. Chris Connectstead.

16 Q. Any others?

17 A. I don't know what the chronology is, so I'd have to go  
18 back and look at when each machine was sold. I know that  
19 during this relationship Allen Davis was one that came  
20 directly to Gyro-Trac, and I know he came out here and I did  
21 all the work with him. Sold the machine, paid Rowmec their  
22 commission on that machine. I don't know the date of that.  
23 That's been a year ago maybe.

24 Q. So that was a direct contact?

25 A. Yeah, they came out here for whatever reason. And I went



1 on to make the sale and paid Rowmec their commission on it.

2 Q. Any others?

3 A. Chris Connectstead was having the dispute with Rowmec for  
4 whatever reasons. I made that sale, paid Rowmec their  
5 commission on that sale, and told them of that. Somewhere in  
6 there is Stanley Stew, and I think one of our sales guys made  
7 that sale, and Rowmec was paid the commission on that. Those  
8 are the only ones I can think of off the top of my head.

9 Q. How long did these problems with sales and service on the  
10 part of Rowmec go on, from your point of view?

11 A. At least a year. The service less so. The sales have  
12 been an issue from almost day one.

13 Q. When do you think service first became an issue?

14 A. I don't know. It's been a while. Probably from about  
15 the time when we had the recall.

16 Q. Which is when?

17 A. I don't know the date of the recall. That was seven,  
18 eight months ago. To answer that question, I don't really  
19 know exactly the dates.

20 Q. Of the recall?

21 A. We had a recall early on. We put the first 15 or 20  
22 machines out early in -- late in '04, early '05 and we had a  
23 traction problem.

24 Q. Is that the only recall that's happened in the last year?

25 A. Yes.

1 Q. Have those recall problems affected sales, not only with  
2 Rowmec, but with Gyro-Trac and anyone else that sells their  
3 products?

4 A. Nobody else sold our products during that period. It was  
5 just Gyro-Trac.

6 Q. Did it affect you-all's sales?

7 A. Short-term it affected my sales. Long-term, no.

8 Q. Do you know the approximate period of time when it  
9 affected the sales?

10 A. If I could put a handle on the exact dates of recall, I  
11 could tell you that. During that time people were restraining  
12 until -- during the time of the recall people who were  
13 interested in buying our product were holding back until they  
14 saw if we actually fixed the problem, which we did. And then  
15 they went ahead and people were buying the equipment.

16 Q. Are there any ongoing problems with Gyro-Trac products  
17 that you're aware of?

18 A. Sure.

19 Q. What type of problem?

20 A. We have had a little bit of undercarriage problems.  
21 Sprockets, for instance. We used to have a problem with axles  
22 that would break after a few hundred hours of operation, and  
23 we'd be putting in more axles than we thought was right, so we  
24 fixed that. Various quality control issues. I don't know if  
25 I could enumerate them, but we've had a few like any other

1 manufacturing company.

2 Q. Would you expect those problems to affect Rowmec when  
3 they were trying to sell your products?

4 A. It may affect the service of them because as the dealer  
5 they have to service them, yes.

6 Q. Don't they affect your ability to sell the products  
7 because if people are having problems with the products,  
8 they're not going to say good things about the products,  
9 right?

10 A. That's all in how you see it. Now, it's a yes or no  
11 question, but I sold an awful lot of machines this year with  
12 the same problems Rowmec faced. And I have a lot of customers  
13 with these machines happy and making money with them.

14 Q. And have you lost any customers because of the problems?

15 A. One or two.

16 Q. What other -- you talked about some disagreements you had  
17 with the president of the company about the contract we've  
18 marked as Exhibit 1. We talked about the technological issue  
19 in depth. What other disagreements did you have with the  
20 president of the company insofar as the agreement with Rowmec  
21 was concerned?

22 A. One of the biggest ones I had a disagreement with him  
23 about is when we were coming up on the time that Rowmec had to  
24 produce 'X' number of sales to maintain the status as  
25 exclusive dealer in these territories. And they weren't

1 getting there. And I actually made, helped make a couple of  
2 sales that put them over the top to maintain that status.

3 Q. What year was that?

4 A. It might have been the last part of '04. Somewhere in  
5 '04. There is a date in here that says they have to hit a  
6 certain date in order to maintain the status. It was prior to  
7 that date and coming right up on that date. We had like a  
8 year of operation with this thing already and they weren't  
9 hitting the target, and so I helped hit the target so they  
10 could maintain their status. Daniel and I disagreed about  
11 that because he says, you know, they're supposed to be doing  
12 the work, what the hell are you doing it for, basically. And  
13 I said, I'm trying to help these people out. And he said I  
14 don't think it's right, but okay.

15 Q. Do you know if Daniel saw that as a way to get rid of  
16 Rowmec?

17 A. No, I don't know that. You'd have to ask him that.

18 Q. Do you know why Rowmec would be billed for warranty work?

19 A. Dealers are normally billed for the product, the parts.  
20 And when the parts are submitted, go through our warranty  
21 process, and it's deemed a defect or not a defect, that's when  
22 they get reimbursed for the parts.

23 Q. So they send the part to you. And if the part is good,  
24 then you just send it back to them?

25 A. No, if the part is defective, has a manufacturer defect

1 in it in some fashion which caused it to fail, then we'll pay  
2 for it.

3 Q. Give them a credit?

4 A. Give them a credit. If the part was not defective and  
5 was destroyed by either normal wear and tear or destroyed by  
6 we determine some sort of damage by abuse or whatever, then we  
7 won't pay for it, we won't give them a credit for it. It's  
8 manufacturer defect.

9 Q. Why does Rowmec get charged for that?

10 A. All dealers get charged for that up front, and then  
11 they're reimbursed for it when they submit the parts back to  
12 us.

13 Q. What does the charge up front cover, what contingency?

14 A. The pay for the part.

15 Q. The used part that they're giving back to you for the  
16 warranty work, or the new part that --

17 A. They're buying the new part that they're doing the repair  
18 with.

19 Q. And they're supposed to get reimbursed that by the  
20 customer?

21 A. In this equipment business, if there is a warranty claim,  
22 if a part fails, say a hydraulic pump fails, the dealer buys  
23 the pump from Gyro-Trac, goes, puts the pump on, takes the old  
24 one off, sends the pump back to Gyro-Trac. Gyro-Trac's  
25 warranty department looks at the pump, they say, yep, we see

1 that it failed because Sunstrand didn't build the pump  
2 properly. The dealer is then reimbursed for the amount of  
3 that pump. If the pump comes to Gyro-Trac and say Gyro-Trac's  
4 warranty department looks at it and says this thing was abused  
5 or didn't have enough hydraulic oil in it or they're running  
6 the wrong grade of hydraulic oil in it, whatever, that caused  
7 it to fail, it's not a warranty item, we don't pay for it.  
8 The dealer gets that from his customer.

9 Q. And so what the dealer has already done is given the  
10 customer a new product, and that's what the warranty charge is  
11 going up against?

12 A. Yeah. Most dealers charge the customer for it and  
13 reimburse the customer just like we do. Same process, except  
14 on the other end of the spectrum.

15 Q. And on the 10-31-05 entry, why would Rowmec get charged  
16 for a c.o.d. only entry?

17 A. Well, they bought some part, obviously. At some point --  
18 Gyro-Trac gave these people a \$500,000 line of credit to work  
19 from. The balance got up over \$500,000 and they didn't pay  
20 us. They kept not paying us. They'd sell stuff, and they  
21 wouldn't pay us. So our accounting department, I assume,  
22 decided to put them on c.o.d. so at least we'd start getting  
23 paid for what were giving them. We can't keep giving them  
24 free stuff.

25 Q. And you're also represented by counsel here today?

1 A. I am.

2 Q. And if I understand correctly, you no longer work for  
3 Gyro-Trac?

4 A. That's correct.

5 Q. How are you employed?

6 A. I'm self-employed.

7 Q. When did you leave Gyro-Trac?

8 A. May. Right about the end of May this year.

9 Q. And why did you leave Gyro-Trac?

10 A. I left Gyro-Trac because they broke their word to me in a  
11 financial situation primarily.

12 Q. And any other reasons, just in general?

13 A. Health.

14 Q. Very good. Are you currently involved in litigation with  
15 Gyro-Trac?

16 A. Yes, they're suing me.

17 Q. What have you been sued for?

18 A. They're suing me, making allegations that I'm damaging  
19 their business by trying to solicit their customers and sell  
20 them other manufacturers' products.

21 (Videotape playing stopped)

22 MR. KEENAN: May we approach, Your Honor?

23 THE COURT: All right.

24 (At side bar)

25 MR. KEENAN: That was specifically limined out. Any

1 discussion about litigation, a lawsuit was filed, period, the  
2 end.

3 MR. BANDAS: He's exactly right, Your Honor. And I  
4 thought this was cut out. We have a mistake with the video  
5 guy. I apologize to counsel. He is exactly right.

6 MR. KEENAN: Should we take a break and let him do  
7 that?

8 THE COURT: It's time for a break anyway.

9 MR. BANDAS: I apologize.

10 (Open court)

11 THE COURT: All right. Ladies and gentlemen, we are  
12 going to take a 15-minute recess right now. So, be back here  
13 at a quarter till 4:00, please. Thank you.

14 (Short recess)

15 (Jury present)

16 THE COURT: Are we ready to proceed?

17 MR. BANDAS: We are, Your Honor.

18 (Videotape playing)

19 Q. Let me show you what has been previously marked as  
20 Exhibit 2 in some corporate representative deposition that we  
21 took of Gyro-Trac yesterday. Do you recognize that document?

22 A. No. But if I read it I might. You'll have to bear with  
23 me. I'm a slow reader.

24 Q. Sure. Please take your time.

25 A. That's the letter that I wrote at the end of the



1 arrangement with Rowmec.

2 Q. This is your signature on the second page?

3 A. It is.

4 Q. And this letter is dated February 3, 2006?

5 A. It is.

6 Q. Now, Mr. Flournoy, if you would, I will talk about the  
7 details of what's in this letter in a moment, but what I'd  
8 like to know right now is how did this letter come about?

9 A. Well, it came about through a long process. Various  
10 folks at Gyro-Trac were evaluating the Rowmec dealership  
11 arrangement and it was not working out and I thought still  
12 wasn't working out and eventually we all had a meeting and  
13 presentation was made that we got to do something with this  
14 because it's not working out. They're not doing the job we  
15 hired them to do and I finally agreed -- about a week before  
16 this letter actually went out, I finally agreed it wasn't  
17 going to work.

18 Q. You said various folks had meetings and participated in  
19 that decision making process?

20 A. Yes.

21 Q. Who were those folks?

22 A. Mr. Gaudreault, Bruce Coy, Odette Mones, Victor LeBlanc.  
23 Those are the ones I can think of off the top of my head.

24 Q. Would you agree with me that's the document that  
25 established the dealership?

1 A. As far as I know, yes, sir.

2 Q. And that's dated approximately November of 2003?

3 A. It's actually dated September 12, 2003.

4 Q. September 12. But I guess there's some signatures of  
5 November '03?

6 A. November 8, 2003.

7 Q. Maybe I was right after all. I think the effective date  
8 was September 12, 2003; correct?

9 A. Yes, sir.

10 Q. Starting with that date and going forward, when was the  
11 first time, to your memory, that folks at Gyro-Trac started  
12 questioning whether or not Rowmec ought to continue as a  
13 dealer?

14 A. I don't know. I can't give you a time because it's  
15 just -- it's not in there. I think at the time involved it  
16 wasn't something that happened like an event, like somebody  
17 punched you in the nose.

18 Q. You may not have a clear recollection, but nevertheless  
19 I'll ask you. When is the first time that you have a clear  
20 recollection of this conversation coming up seriously at  
21 Gyro-Trac, and that being whether or not Gyro-Trac ought to  
22 terminate its dealership with Rowmec?

23 A. Clear recollection was in '05 and maybe a part -- the  
24 last part of '04. Actually it was getting pretty clear things  
25 weren't working. We'd been in the agreement a year and a half

1 or more and it was evident that we weren't getting where we  
2 wanted to go.

3 Q. And going back to that end of '04, beginning of '5 time  
4 period, what wasn't working about the relationship?

5 A. Sales weren't happening on one side. There seemed to be  
6 a lot of animosity between the two companies on the other  
7 side. But it -- just from my perspective I was the sales  
8 manager, I was to make these things work and make sales and  
9 I'd go over and I'd spend time and I'd teach people how to do  
10 this and do demos and whatever. When I wasn't doing that  
11 nothing seemed to be happening in between and for sure a lot  
12 of hard feelings around the board so and there was a lot of  
13 problems with equipment and so forth, so I don't know.

14 Q. So there was a variety of things that affected Rowmec's  
15 ability to make sales; correct?

16 A. Yes.

17 Q. One of them, I think, as you said, you had criticisms how  
18 they were handling sales?

19 A. Yes.

20 Q. But there was also problems with the equipment, correct?

21 A. Yes.

22 Q. What were the problems with the equipment that you were  
23 observing in '4 and '05?

24 A. Well, they had a recall. Gyro-Trac had a recall on the  
25 undercarriage. The undercarriage had some major problems

1 which would cause the machines to break down and wheels to  
2 fall off and the customer couldn't use the machine for a  
3 period time until I put them back together. That was  
4 happening within 25 hours of start up or 50 hours. And  
5 everything at Gyro-Trac and Rowmec scrambled and scrambled.  
6 It was a very difficult time for everybody to keep those  
7 machines close to running and keep the customers happy.

8 Q. And the machines that we're talking about, do you have  
9 some specific model?

10 A. GT-18.

11 Q. Gt-18. Okay. And what did that machine sell for  
12 typically?

13 A. 185,000, I think, in those days. Went from 65 to 185. I  
14 don't remember exactly when.

15 Q. And at the end of the '04, beginning of '05 time period,  
16 that's approximately when the GT-18 was in recall?

17 A. Yeah. I don't remember the exact dates. You'd have to  
18 ask somebody else. But somewhere in that early '04, I  
19 believe.

20 Q. In your experience did the customers of these machines,  
21 did they like paying \$185,000 for a machine that ran 25 hours?

22 A. I'm going to go back to the machine. I'm trying to think  
23 back. That might have been the GT-25 we had the recall on. I  
24 think one we just -- GT-25 -- '04, '05, end of '04. GT-25 I  
25 think is what we had the recall on.

1 Q. How much does the GT --

2 A. 285.

3 Q. 285,000. All right. In your experience did customers  
4 like paying \$285,000 for a machine and having the wheels fall  
5 off, for example?

6 A. No.

7 Q. Did they like paying \$285,000 for a machine that had  
8 serious undercarriage problems?

9 A. No.

10 Q. Did they like paying \$285,000 for a machine that wouldn't  
11 last 25 hours?

12 A. No.

13 Q. Did customers like to have machines running to make a  
14 living?

15 A. Sort of mandatory, yes.

16 Q. Okay. And the people that bought these machines, do you  
17 think that the recalls and the extraordinary money they spent  
18 on them to get machines that didn't work and were recalled, do  
19 you think, in all fairness, might have affected Gyro-Trac's  
20 reputation?

21 A. It did.

22 Q. Affected sales?

23 A. It does.

24 Q. In your experience as sales manager for Gyro-Trac when  
25 you have recalls in defective machines that cost several

1 hundred thousand dollars, does that generally inflate sales or  
2 depress them?

3 A. Can I answer this in my own fashion?

4 Q. You're the witness.

5 A. Good.

6 Q. You answer.

7 A. Because I want to make a couple of things clear here. A,  
8 Caterpillar has recalls. Largest equipment manufacturers on  
9 the plant. Things happen. Doesn't make customers  
10 sometimes -- is it good, never. How you go about fixing it  
11 and taking care of the problem goes to the customer  
12 satisfaction in the end. We all have to live through the  
13 problem. Just like having a car wreck, you get through it.

14 Q. Let me ask you this. We're sitting here today November  
15 17, 2006. To your knowledge as we're sitting here today, has  
16 Gyro-Trac fixed the problems, the design problems, with the  
17 GT-25?

18 A. As far as I know they fixed those problems, the major  
19 problem on the recall. As far as I know they did, yes.

20 Q. GT-25. Sitting here today, are they still having  
21 problems?

22 A. Some.

23 Q. Are they still breaking down?

24 A. Yes.

25 Q. And you left the company in May?

1 A. This year.

2 Q. Of this year. When you left the company in May of this  
3 year, were you still having customer complaints about the  
4 machine?

5 A. Yes.

6 Q. Still having a lot of serious issues in the machine and  
7 reliability of the machine?

8 A. Yes.

9 Q. Was it still seriously affecting people's ability to use  
10 the machine to make a living?

11 A. Yes.

12 Q. All right. Did Gyro-Trac ever deliver a GT-25 to Rowmec  
13 to have on consignment?

14 A. Yes.

15 Q. When did that happen?

16 A. I don't have a date.

17 Q. When was the GT-25 first developed and available for  
18 sale?

19 A. Dates are not something I'm going to be able to recall.  
20 I have a bit of a memory problem. But sometimes toward the  
21 end of '04 is when I only remember exactly I got the prototype  
22 and shortly thereafter, within three or four months, we  
23 started developing at least by the beginning of '05.

24 Q. And do you know when the first time was that Rowmec got  
25 one of those machines?

1 A. No.

2 Q. And what other machines was Gyro-Trac selling at the  
3 time?

4 A. They were selling a 13, selling heads on skied stairs on  
5 the post-traction skied stairs. I think they call it a GT-12,  
6 GT-10 something.

7 Q. When was the first time that Rowmec got a GT-13?

8 A. I don't know the dates.

9 Q. When was the first time that Rowmec got a GT-18?

10 A. I don't know dates. You'll have to ask somebody. I  
11 don't do dates well.

12 Q. You'd certainly agree with me to have one of those on  
13 consignment, pursuant to the settlement agreement, would have  
14 been important for their ability to make sales?

15 A. Oh, absolutely. You have to demonstrate this equipment.  
16 You can't go pick up the telephone and sell it.

17 Q. Their ability to demonstrate and to have one on  
18 consignment, that's critical, critical to their ability to  
19 make sales?

20 A. Having one in stock, whether on consignment or they  
21 bought it is a question, but having one is critical, yes.

22 Q. The point is, regardless of how it's there they have to  
23 physically have one?

24 A. Yes.

25 Q. In their possession?



1 A. Be available.

2 Q. Absolutely. You would agree with me if they didn't have  
3 one that would be a very serious impediment to their ability  
4 to market and make sales?

5 A. Yes.

6 Q. Now, we were talking about some of the sales problems.  
7 In fact, at this point, go ahead and refer to Exhibit  
8 Number 2. What I want to do is I want to focus you on this  
9 first paragraph here. Says the purpose of this letter is to  
10 formally determine between Right of Way Maintenance, Rowmec  
11 and Gyro-Trac USA; correct?

12 A. Uh-huh.

13 Q. The reason for the termination is Rowmec total and  
14 complete to perform contractual?

15 A. Uh-huh.

16 Q. Are those your words?

17 A. They're our words, the team, the management team. But I  
18 agree with them.

19 Q. You agree with them?

20 A. Yes.

21 Q. The list of contractual obligations by Rowmec include but  
22 are not limited to, one, failure to pay for product; right?

23 A. Uh-huh.

24 Q. Failure to service customers?

25 A. Uh-huh.

1 Q. Failure to pursue sales opportunities?

2 A. Uh-huh.

3 Q. Failure to properly train service and sales staff?

4 A. Uh-huh.

5 Q. Use of consigned Gyro-Trac equipment for Rowmec's  
6 benefit?

7 A. Uh-huh.

8 Q. And failure to meet minimum sales requirements?

9 A. Uh-huh.

10 Q. Is that right?

11 A. Exactly.

12 Q. Now, before we go on, is there anything else that you  
13 thought was a reason for termination that's not on this list  
14 that ought to be on the list, or does this cover --

15 A. I think that was it.

16 Q. What I want to do is kind of go through these items one  
17 by one with you and get some of the specifics we haven't had  
18 an opportunity to do yet with you in this case; okay?

19 A. Okay.

20 Q. Now, let's talk about the first item which is -- somebody  
21 got a marker?

22 A. Where you at?

23 Q. The fifth line down, failure to pay for product. That's  
24 the first thing on the list.

25 A. Yes.

1 Q. What does that refer to specifically?

2 A. That refers to -- try to figure out how to you put this  
3 concisely. There was a situation where we -- where Gyro-Trac  
4 gave Rowmec a floor plan which was a line of credit basically  
5 for half a million dollars. They would be able to buy product  
6 and pay for it over some period of time. I forget whether it  
7 was 30 or 90 days after they would receive the equipment they  
8 had to pay for. The two things that are clear in my mind  
9 about the failure to pay for product was a couple of sales  
10 were made, one I helped with and another one that was made, we  
11 already had either reached or exceeded the half a  
12 million-dollar floor plan, and John had a sale and wanted the  
13 machine, I believe a 125, I know there was a 13 in there too,  
14 and he promised that he would pay from that, you know, he  
15 would pay so he would keep inside of his -- inside of his  
16 floor plan arrangement. I went and I talked to the ownership  
17 at Gyro-Trac into sending the machine and we still didn't get  
18 paid.

19 Q. Now, let me make sure I understand this. There's two  
20 things specifically.

21 A. These are just in my mind. There's a lot of things that  
22 went into this. But in my mind these are the things I can  
23 remember clearly.

24 Q. To talk to Gyro-Trac's corporate representative on the  
25 topic? You're the man. You're the one that knows you're the

1 one that we?

2 A. I'm telling you what I need.

3 Q. I want to understand in detail with concrete examples  
4 everything that you considered in putting this letter  
5 together; okay?

6 A. Uh-huh.

7 Q. Right now we're focused on failure to pay for product.

8 A. Right.

9 Q. And there's two specific issues about that that you  
10 recollect. One were sales that you helped with?

11 A. Uh-huh.

12 Q. And the other exceeding the \$500,000 credit line?

13 A. Uh-huh.

14 Q. Correct?

15 A. Correct.

16 Q. Is there anything else on that list that you need to add?

17 A. There is, but I haven't got a memory to be able to tell  
18 you all. There were several things that led up to this  
19 because we had a lot over a few months back and forth and I  
20 went and worked out payment arrangements with Rowmec to try to  
21 bring these payments into line. I know you have because we  
22 did this before a document that I did with Rowmec that they  
23 agreed to pay for these machines and we were going to sell  
24 machines and start paying down the debt load and that never  
25 came to pass. It just kept not happening.

1 Q. Let me ask you this. Would it be fair to say that at  
2 least in your mind at the time Rowmec exceeding the \$500,000  
3 credit line that was an important reason or an important  
4 justification in your mind for terminating the dealership?

5 A. Yes. There's two in that relationship. Going over the  
6 limit is something that we at Gyro-Trac would make decisions  
7 and allow or disallow. But what really got me was being  
8 clearly promised and clearly put my neck on the line to make  
9 one of these deals happen and we still didn't get paid.

10 Q. At that point in time, did you have any awareness as to  
11 whether or not there was any inaccuracies or problems with the  
12 accounting that Gyro-Trac was using to come up with its  
13 contention that it was owed 7 or \$800,000?

14 A. In short, in my estimation -- this is my opinion.  
15 Accounting was a mess. I don't know how anybody could tell  
16 anything.

17 Q. As you're sitting here today, have you ever gone back to  
18 try to figure out legitimately whether that number was even  
19 close to right?

20 A. I've tried.

21 Q. Have you been able to do it?

22 A. No, sir.

23 Q. As you're sitting here today, can you tell us whether or  
24 not that number was off by 5 percent or 50 percent or 90  
25 percent?

1 A. I have no idea.

2 Q. Would you agree --

3 A. Let me rephrase that. I know what equipment he had in  
4 hand. So I know the value of some of the equipment. So that  
5 adds up to maybe \$300,000. Maybe. I don't know what he had  
6 in hand. But around 3 or \$400,000 of equipment. Other than  
7 that I have no idea how all that works out.

8 Q. Let me ask you this. Irrespective of what the agreement  
9 marked as Exhibit 3 says, are you telling the jury in this  
10 case that Gyro-Trac was counting towards the \$500,000 line  
11 whatever equipment John had in his position?

12 A. I believe so.

13 Q. And that was about \$300,000?

14 A. Three or four.

15 Q. So at least coming back to that time period and trying to  
16 put ourselves in what Gyro-Trac's intent was, regardless of  
17 what the contractual terms of Exhibit 3 say, Gyro-Trac was  
18 looking at it as John has \$300,000 worth of our equipment and  
19 he owes us for it?

20 A. Gyro-Trac was looking at \$700,000 worth of equipment or  
21 \$700,000 worth of bills, but I don't know how all that came  
22 about.

23 Q. So how they came up with that \$700,000, you just don't  
24 know?

25 A. I know that we sold them equipment. We gave them

1 equipment they put in the field. And there was a lot of  
2 things going on royalty payments. There was contention over  
3 all sorts of things.

4 Q. But nevertheless, at that point in time, you'd agree with  
5 me that Gyro-Trac's accounting was, in your words, a mess?

6 A. That I would agree with, yes. I'm going to need more of  
7 this.

8 Q. Let me show you what's been marked as JF Number 2. Tell  
9 me if you recognize that document.

10 A. Yeah, I recognize it. I've been over and over and over  
11 it again in those days.

12 Q. And what is that document?

13 A. This is an attempt on my part, through my secretary was  
14 Christy, last name not coming to me at the moment, but at any  
15 rate, to figure out what sales have been made taking Gyro-Trac  
16 accountants figures and what was supposedly paid in Rowmec and  
17 what wasn't supposed to be paid in royalties to Rowmec, trying  
18 to figure out where they were in their payment plan.

19 Q. What's the date of that document?

20 A. I don't know actually. Let's see. It's on here  
21 somewhere. It's just a compilation of stuff. I don't think  
22 there's actually a date on the document. There's dates when  
23 things were happening. But I don't remember when I actually  
24 did this.

25 Q. What's the most recent date that's documented in that

1 document?

2 A. Looks like it was the fifth month. Dates on from 5/3 to  
3 5/31.

4 Q. What year?

5 A. 2004.

6 Q. After that document was generated, what was the next  
7 effort that Gyro-Trac made to sit down and really try to  
8 figure out who owed who what, or did that ever even happen?

9 A. I don't recall that ever happening at Gyro-Trac. I  
10 recall me trying to always get in the middle of it and try to  
11 solve it, but I couldn't get a lot of cooperation and I never  
12 could get to the bottom of some of these discrepancies.

13 Q. If you don't mind, let's go over some things here. And  
14 again, this is Exhibit JF-2.

15 A. Oh, it's on the screen.

16 Q. I'm going to zoom in here. Your best recollection is  
17 that this document was generated sometime in the middle part  
18 of '04?

19 A. Had to be, yes.

20 Q. And are these your notes and comments that you inputted  
21 here?

22 A. Yes, they are.

23 Q. The first notation you make is problem. We treat some  
24 federal as exempt and some as not exempt. What are you  
25 talking about there, some federal what?



1 A. These are sales to the federal government agencies,  
2 whatever they may be, forestry, National Guard, whatever. We  
3 sell GT-18s to one of them or GT-10s to one of them and  
4 royalties were not paid to Rowmec. Another and royalty was  
5 paid on it. And that's what some of this documentation was  
6 out there.

7 That's one month that I did and that's the  
8 discrepancies why these things were. And this was internal  
9 memo sent to our accountant at the time.

10 Q. By the way, this memo that we're looking at, this is  
11 specific to the Rowmec's account?

12 A. This is just Rowmec.

13 Q. And this is just one month?

14 A. Oh, yeah.

15 Q. And these are major problems you noted just one month  
16 that, I assume, you picked by random or just simple --

17 A. That was the month I was working with. That was the  
18 month that had just ended and I wanted to see what they were  
19 doing.

20 Q. So you picked that out of the hat and take a snapshot.  
21 See what's happening?

22 A. Uh-huh.

23 Q. And you saw a mess?

24 A. You can see my notes. Yes, I saw a mess.

25 Q. And there, again, we pay for some and not for other sales

1 to the same institution.

2 A. Yeah, that was good.

3 Q. You would agree with me that was a major problem?

4 A. Yes.

5 Q. And you'd agree with me depending on how you account for  
6 that, that could make a potential big difference on that  
7 \$700,000 bill?

8 A. Yes, sir, I do.

9 Q. Next one. Many of these accounts were supposed to pay  
10 but didn't. Does that mean Rowmec was supposed to get paid  
11 money but you did not?

12 A. Yes, sir.

13 Q. Big difference on that \$700,000 account?

14 A. Yes.

15 Q. Other accounts were not supposed to be paid but did. Any  
16 specific examples?

17 A. If I looked at it long enough I would find them there.  
18 Can I have the thing back so I can see it?

19 Q. Sure.

20 A. Because I had some methodology at the top where it says:  
21 Per Dawn, do we pay or not. When we see that yes, yes column,  
22 and the Volusia County Fire Department, yes, we pay, and State  
23 of Florida Forestry, no, we don't pay. Big Cypress Wildlife  
24 Refuge, which is a federal wildlife refuge, yes, we pay. And  
25 then let's go up here. See if I can find any other examples

1 here. Those are the ones that stood out. Why are we saying  
2 yes to Volusia County Fire Department and no to Florida  
3 Forestry but they're not paying for Florida Forestry, which is  
4 also a Florida state agency.

5 Q. You understand that the settlement, Exhibit 3, only  
6 exempts sales to the actual state itself?

7 A. State of Florida. I understood that, yes.

8 Q. So for example, Volusia County should have been paid;  
9 correct?

10 A. It's not the State of Florida, it's the county.

11 Q. Just want to make sure we're on the same page. Let's go  
12 back down here.

13 The next one. If this is the way the rest of  
14 our accounting looks, we are in trouble. Did you look at the  
15 other accounting?

16 A. Huh-uh. No. I need to make this part clear.

17 Q. Sure.

18 A. I think I did this once before. I had a title. I sold  
19 equipment. Internal workings at Gyro-Trac was kept away from  
20 me unless I really dug and take care of my end of the business  
21 things were shared with me times. But to be privy everything  
22 that was going on, no. That was always outside of my realm.

23 Q. Even though that stuff was out of your realm and you  
24 weren't informed, nevertheless the company looked to you to  
25 make the decision about whether or not to terminate Rowmec;

1 right?

2 A. Yes.

3 Q. Then what are you telling me? I want to make sure I  
4 understand. I'm not trying to put words in your mouth. I'm  
5 trying to figure out what happened.

6 A. There is a long, drawn out process. They kept getting  
7 worse and worse and worse between the companies with the sales  
8 and with service, all kinds of things. It was a long, drawn  
9 out process. Bruce Coy was investigating. Bruce Coy was  
10 coming back saying this wasn't happening, that wasn't  
11 happening. The customer would call in saying this isn't  
12 happening. It was a long, drawn out process that the company  
13 had to have several meetings about. There was a management  
14 team which Daniel was a part of, I was a part of, Bruce was  
15 part of, Dawn Wright was part of, Victor LeBlanc was part of  
16 it. It was a long, drawn out process, and finally they made  
17 and they the management team wanted to end the relationship  
18 with Rowmec before I did. It was toward the end of that run  
19 that I finally agreed we're not getting anywhere and I  
20 realized it's just a state we're not going to move.

21 Q. How long did that process take?

22 A. Easily a year.

23 Q. So the notion of firing Rowmec, that notion evolved over  
24 a year at Gyro-Trac; right?

25 A. Yes.

1 Q. In that year time period, to your recollection, did  
2 anybody at Gyro-Trac ever call up John O'Hagan or anybody else  
3 at Rowmec and say John, this is a specific problem we're  
4 having with you and if you don't fix it we're going to  
5 terminate this relationship?

6 A. I did.

7 Q. What's the first time you had a conversation like that  
8 with John?

9 A. Dates gone are not going to come. The only way I could  
10 even figure that out is somebody to find the flight records  
11 when I flew into Houston. But it was toward the end of this  
12 will maybe within -- we had one, two. I don't know. I hate  
13 to do this, but my memory is vague for a lot of reasons. But  
14 I had one or -- I was there once and then I was there again.  
15 The final time that I was there it was like we were talking,  
16 we've always been honest with each other and I said, you know,  
17 John, if I had the attitude that you have I wouldn't sell a  
18 single Gyro-Trac. If I was worried about having a perfect  
19 machine, perfect company, I couldn't even sell the product and  
20 it's not going to work because you can't get past this problem  
21 you've got. So at that point, we sort of both agreed, okay,  
22 I'm going to go back and agree to end this thing.

23 Q. You're saying that John O'Hagan agreed to end this thing?

24 A. I don't think he agreed to end it, but he knew that's  
25 what I was going to do when I went back.

1 Q. So with him, at least on that occasion, that you  
2 recollected sort of an attitude problem with John?

3 A. Yes. I hate to say that, but it's a fact.

4 Q. Sure. Okay. Other than that attitude problem and you  
5 suggesting to John you may have to consider ending this  
6 relationship, do you recollect any other times that you told  
7 John that you might have to end the relationship?

8 A. No. I don't think I did actually. Kept trying to work  
9 it and we worked so hard on this. He and I worked.

10 Q. So you'd agree with me before John got this letter dated  
11 February 2006, from his point of view there was only one time  
12 that anybody from Gyro-Trac told him we're considering ending  
13 this thing, and that's the example you just gave me?

14 A. Yes.

15 Q. How long before this February letter did that happen, the  
16 best of your recollection, a month before, two months before?

17 A. A couple of months, at least, because from there I went  
18 to California and I went several places.

19 Q. You went to Australia?

20 A. Yeah. So it was at least two or three months.

21 Q. So in all fairness, the only time Gyro-Trac ever told  
22 John O'Hagan before the boom was lowered on him by this  
23 February 2006 letter is one time a couple of months beforehand  
24 you met with him and you observed an attitude problem and  
25 that's when you let him know the one and only time before the

1 letter, you know, we may have to consider ending this?

2 A. I understand the question my understanding and personal  
3 involvement, yes. I do not know what was going on between him  
4 and Bruce, for instance, or anybody else. But I can tell you  
5 from my perspective that's when I was verbally making it known  
6 I couldn't see a way we could move forward.

7 Q. And are you aware of anybody else's conversations?

8 A. There was a lot of people talking to that man. I don't  
9 know who, what, where. Again, I'm never in the loop in this  
10 company. You need to understand that.

11 Q. You were kept out of the loop?

12 A. Yes.

13 Q. Why was that?

14 A. I'm going to make my opinion. Be sure this is my  
15 opinion.

16 Q. We understand.

17 A. I'm the front guy. I'm the honest guy. Things that are  
18 going on that we don't want somebody interfering with, we  
19 don't tell them. So they kept me out of a lot of things.

20 Q. What kind of things?

21 A. If I knew that, I probably would be a threat, but I don't  
22 know that because I wasn't in the loop. That's why I wasn't  
23 allowed in accounting. I never went to the factory. The last  
24 three years with the company was some kind of insanity.

25 Q. Was it your impression before you left the company, there

1 was dishonesty going on in the accounting?

2 A. It was my impression, yes, sir.

3 Q. Do you believe that dishonesty was intentional?

4 A. I believe that, yes.

5 Q. Do you believe that some of that dishonesty, some of that  
6 intentional dishonesty was directed at Rowmec?

7 A. Honestly I can imagine that it might be, yes.

8 Q. Do you believe that some of that intentional dishonesty  
9 manifested itself in Gyro-Trac's account of what it thought  
10 Rowmec owed it?

11 A. Possible.

12 Q. And at the time you sent this letter in February you knew  
13 that?

14 A. Knew what?

15 Q. You suspected that there was intentional dishonesty in  
16 those accounts being used to justify the letter of February;  
17 right?

18 A. It was either that or total incompetence. And actually  
19 to be clear, the person we had in that position was, in my  
20 mind, totally incompetent.

21 Q. And whether it was, to put the best light on it, complete  
22 incompetence; to put another light on it, intentional fraud  
23 and deception, at the time you wrote the letter in February of  
24 2006 you were aware of that; correct?

25 A. Yes.



1 Q. Did you voice those concerns to anybody at Gyro-Trac?  
2 Did you ever say, guys, this is half-baked, this is  
3 half-baked. We don't have all the facts and we're sending  
4 this letter. What are you pointing at? Okay. This was your  
5 way of letting the company know?

6 A. Of course I did.

7 Q. And your testimony is that between this letter and the --  
8 these notes?

9 A. Those are notes, yes.

10 Q. And writing the letter of February 10, 2006, you made  
11 other efforts to try and get people at the company to focus on  
12 getting to the truth; right?

13 A. Oh, yeah. I tried -- I'm going to elaborate a little bit  
14 here. I tried at one time with Dawn Wright, who was the  
15 accountant, to reconcile all of the invoicing and billing for  
16 about a year's worth of invoicing and billing for Rowmec. It  
17 could not happen. The information was so -- it was a mess.  
18 We just couldn't find anything. I've never seen accounting  
19 like this and I spent several years in the hotel business. I  
20 know what good accounting looks like. We know a bar of soap,  
21 how many we use a day, so I know. It was impossible.

22 Q. When we look at Exhibit JF-2, that was your effort to  
23 say, like the movie, Houston, we've got a problem?

24 A. Yes, sir.

25 Q. And that was in '04?

1 A. Yes, sir.

2 Q. Between '04 and February of '06 I assume you continued to  
3 voice your concerns to management?

4 A. Off and on, yes, sir.

5 Q. Houston, we've got a problem?

6 A. Uh-huh.

7 Q. Right?

8 A. Mostly I was told to butt out.

9 Q. You were told don't worry about it?

10 A. No. Don't go there, don't mess with it. Not don't worry  
11 about it. That's not your job, don't do it.

12 Q. Is this what has formed your opinion today in part, that  
13 there is intentional accounting fraud that they didn't want  
14 you to know about?

15 A. I will not go anywhere saying there was intentional  
16 fraud. I don't know that. I have no information to that.  
17 Was there total incompetence, was the accounting a disaster,  
18 absolutely, and can that cause problems, absolutely. Was  
19 there fraud, I don't know.

20 Q. Would you agree with me that it would have been  
21 reasonable for Gyro-Trac to get the true facts before it told  
22 Rowmec you owe us \$700,000 and if you don't pay us, we're  
23 going to terminate your dealership?

24 A. I would agree with that.

25 Q. Did that happen?

1 A. Not in my estimation, no.

2 Q. Would you agree that it would have been unfair and  
3 indefensible to put that on the list of reasons to terminate  
4 Rowmec?

5 A. No. Only with the caveat because there were other things  
6 along with not paying, including my personal reputation, my  
7 personal job, my personal efforts to help them and my  
8 personally being told I would get paid -- the company would  
9 pay the company these things. I even set up a program for  
10 payment and that didn't happen, quote/unquote, because the  
11 lawyers thought it wasn't a good idea. So no, that all adds  
12 into that still makes that a valid reason for termination in  
13 my mind.

14 Q. Failure to pay we're talking about?

15 A. Failure to pay, yes, sir.

16 Q. But nevertheless, you agree with me that it should have  
17 been handled differently?

18 A. Oh, absolutely.

19 Q. And should have been more completed, right?

20 A. Yes.

21 Q. And it wasn't?

22 A. Yes.

23 Q. And you'd agree with me that with respect to that one  
24 issue, failure to pay, you'd agree with me that John O'Hagan  
25 and Rowmec didn't get a fair shake on that one issue?

1 A. I'm thinking about whether I agree with you or not. I  
2 can't agree with you because there were promises that weren't  
3 kept in the payment, so I don't agree with you.

4 Q. What specific promise are you referring to?

5 A. Again, machines that I fought to get him that he needed  
6 sales, he needed cash flow and I said John, you're already  
7 over the limit, you haven't paid. You have to pay. You made  
8 a promise. John has been honest. He made a promise to pay.  
9 I delivered the machine. He didn't pay.

10 Q. Was it Gyro-Trac's position that even if the accounting  
11 was wrong, even if it was off by 50 percent, that doesn't  
12 matter, John has to pay anyway, no matter how inaccurate the  
13 account is?

14 MR. KEENAN: Objection as to form.

15 A. Yes.

16 Q. Going back to that period of time, February of '06. Have  
17 we talked about all the facts that you're aware of and can  
18 remember today that's relevant to this failure to pay issue?

19 A. To the best of my recollection, yes.

20 Q. Again, I want to finish up this Exhibit JF-2. We're now  
21 on the second page. So we can put it in the right context, we  
22 go from many of our customers experience the same kind of  
23 billing problem. Their accounts are rarely right and then we  
24 adjust just them if they catch us. Again, you're talking  
25 about Rowmec?

1 A. I'm talking about everybody at this point.

2 Q. Next comment. It has been brought to my attention we  
3 have been paying for things we never received; and again,  
4 because nobody is verifying. More time has been committed to  
5 investigating this and trying to correct it.

6 Again, another observation about Gyro-Trac  
7 accounting?

8 A. Yes, sir. It works both ways. When it's a mess, you  
9 lose money as well as make money.

10 Q. I have a copy of invoices where we charged two different  
11 prices for the same part. There seems to be no consistency in  
12 how or what we charge. Would you agree with that?

13 A. Yes, sir.

14 Q. Did that ever change?

15 A. I believe it did. In '05 it started changing because --  
16 they did a whole parts manual and made everything consistent  
17 and they started really getting onto professionalizing the  
18 operation, if you put it in that general way.

19 Q. The next, the customer is not totally stupid. Are you  
20 talking about Rowmec, in particular?

21 A. Customer in general.

22 Q. Did Gyro-Trac think any of its customers were partially  
23 stupid?

24 A. According to some of the things that were showing up as  
25 billing, yeah, I think they were really nuts that they

1 wouldn't notice these things. But that's an assumption on my  
2 part. This is just my commentary, you know. Customers get  
3 billed. They don't understand. They're not stupid. They're  
4 going to start looking at them to try to figure out what the  
5 hell is going on.

6 Q. Again, along those lines, like you said, they notice  
7 these things, customers notice eventually?

8 A. I'm on the end of it when they notice.

9 Q. We waste time making adjustments when we get caught?

10 A. Yes.

11 Q. These problems are just a symptom of the real problem?

12 A. Uh-huh.

13 Q. What's the real problem?

14 A. Total incompetence in our accountant department.

15 Q. Okay. Other than what you and I have covered, is there  
16 anything else that you recollect about this failure to pay  
17 issue in the termination letter?

18 A. No.

19 Q. The next item is failure to service customers.

20 A. Yes.

21 Q. What specific customers were you referring to when this  
22 letter was written?

23 A. One specific that I remember was a guy named Chris  
24 Connectstead and, I forget the town, but north Texas. Had a  
25 lot of complaints.

1 Q. Do you remember any other Rowmec customers complaining  
2 about Rowmec other than Chris Connectstead?

3 A. To me directly, no.

4 Q. What about to somebody else directly observed?

5 A. In the management meetings Bruce had brought up,  
6 investigated, made phone calls to customers to find out their  
7 satisfaction level, I guess is what he was doing with Rowmec.  
8 And he made statements that all of the people he called were  
9 unhappy. Connectstead is the one that I know about. But he  
10 made statements. And then Victor LeBlanc, who was the  
11 manager, also indicated some, but I don't remember. I think  
12 only five or six of them in the first place.

13 Q. So what was Bruce Coy's position with the company?

14 A. He was director of marketing.

15 Q. A sales guy?

16 A. Sales guy. Head sales guy. Vice president of sales,  
17 actually, or marketing.

18 Q. And just so we're clear on what you heard and who said  
19 what, you personally only knew of one customer that had  
20 complained about Rowmec?

21 A. Yes, Chris Connectstead.

22 Q. So how many times had Gyro-Trac had to send its own  
23 truck? Was that a big deal? Did you terminate a dealership  
24 over that?

25 A. We terminate a dealership whenever we have information

1 that the dealer is not servicing the customers and not  
2 responding to their needs. Absolutely. That's with any  
3 equipment. And I was only in Gyro-Trac. I've never been in  
4 the equipment business before. I know a lot more now than I  
5 did then. But it is in their contracts if the customers are  
6 not happy and satisfied then you have very serious cause to  
7 terminate their agreement.

8 Q. In your experience has any dealer ever been able to keep  
9 a hundred percent of their customers, a hundred percent happy,  
10 a hundred percent of the time?

11 A. Oh, I don't think so.

12 Q. So, you'd agree with me that an occasional customer  
13 complained about service in no way justifies the termination  
14 of the dealership?

15 A. True. Yes.

16 Q. And as you're sitting here today, from what you can  
17 recollect about this time period, you can recall at least one  
18 occasion of Victor LeBlanc told you where he had to send a  
19 service truck, right?

20 A. Yes.

21 Q. And can you recollect why that was? Was it because  
22 Gyro-Trac machines breaking down all over the country and not  
23 enough service trucks? Do you even know?

24 A. Actually when you put it that way that is a problem. I  
25 mean, I don't know. I think John had five or six customers,



1 but things were breaking down so fast he couldn't keep up with  
2 them.

3 Q. Is it possible, Mr. Flournoy, that the breakdowns in  
4 these machines were because of the fault of Rowmec so far  
5 beyond what any dealer could reasonably keep up with?

6 A. It's possible.

7 Q. And as you're sitting here today, you can't tell us  
8 whether that was the situation or not, can you?

9 A. No, sir.

10 Q. Now, what was the situation with Chris Connectstead?

11 A. Well, he was experiencing a lot of breakdowns. He was  
12 out of -- when you break down with one of these machines,  
13 you're out of business for however long it takes to come and  
14 fix it. But I don't remember the specifics anymore. I had a  
15 conversation with him, but I couldn't tell you what the  
16 specifics are.

17 Q. I guess what I'm asking what was so bad about Chris'  
18 experience with John that justified terminating this  
19 relationship with Rowmec?

20 A. Chris told me he never -- he called and have a problem,  
21 try to fix it or try to get service and told me he never got  
22 service.

23 Q. Was his Rowmec -- I mean Gyro-Trac machine broken down a  
24 lot?

25 A. Yes.

1 Q. Do you blame John O'Hagan or his company for his machine  
2 breaking down?

3 A. No, I don't.

4 Q. That doesn't have anything to do with Rowmec, does it?

5 A. The machines breaking down don't have anything to do with  
6 Rowmec, no.

7 Q. From what you remember, was he any more unhappy with his  
8 Gyro-Trac machine than he was Rowmec?

9 A. I don't know. I don't know.

10 Q. How many times did Chris Connectstead call you and tell  
11 you that he had a problem with Rowmec?

12 A. Twice.

13 Q. When did that occur relative to the termination letter?

14 A. He hadn't had his equipment very in the first place, so  
15 he'd just got the equipment a couple of months or three months  
16 up close to the end of this arrangement, yes.

17 Q. So that happened at the end?

18 A. Uh-huh.

19 Q. And he just spent what, 2, \$300,000 on a machine?

20 A. Uh-huh.

21 Q. Breaking down a lot?

22 A. Uh-huh.

23 Q. You have to answer out loud.

24 A. Oh, I'm sorry. Yes.

25 Q. He was an unhappy customer generally?

1 A. Seemed to be, yes.

2 Q. There was other machines breaking down in other parts of  
3 the country?

4 A. Yes.

5 Q. Rowmec was trying to service those breakdowns, too?

6 A. Yes.

7 Q. Is it really surprising to you that Chris Connectstead  
8 voiced complaints?

9 A. Oh, no, it's not surprising.

10 Q. Can you blame Rowmec for that?

11 A. If the complaints were true, yes.

12 Q. And what were the complaints?

13 A. Lack of service, lack of getting out there and getting  
14 the machine running when it was broken down.

15 Q. To your knowledge, did John O'Hagan ever go service those  
16 machines?

17 A. I think he did several times.

18 Q. And how long did it take between, if you know, between  
19 John getting the phone call and being able to go out there and  
20 service the machines?

21 A. I don't know.

22 Q. Did you ever call John and say, hey, Chris is complaining  
23 about you. Go out there and do something about it?

24 A. I don't think I did. If that's Victor LeBlanc's job and  
25 he did.

1 Q. How do you know Victor did?

2 A. I don't know that Victor did. I know that wasn't my job.  
3 I was told I don't do this thing and he turned it over to  
4 Victor. Whether he did it or not, I have no clue.

5 Q. Other than the things you've talked about here today,  
6 information you got from Bruce Coy, some comments you heard  
7 about Victor LeBlanc, your general recollection of what  
8 happened with Chris Connectstead, are you aware of any other  
9 customer complaints about Rowmec?

10 A. Personally not that I can recall.

11 Q. Based on those complaints and what we've talked about  
12 here today, do you think that is enough to terminate a  
13 dealership?

14 A. I'd give it a lot of consideration before I decided one  
15 way or the other.

16 Q. Now, the next item on the list is failure to pursue sales  
17 opportunities?

18 A. Yes.

19 Q. If you would, can you tell me where in Exhibit Number 3  
20 there is a contractual obligation on Rowmec where they had to  
21 pursue sales and they had to sell equipment?

22 A. Do I have to read this contract or are you going to point  
23 me somewhere? I don't know. I haven't seen this contract in  
24 years, or in a while anyway.

25 Q. In the day --

1 A. But they have minimum sales requirements they had to  
2 meet, for sure.

3 Q. For what, for commission structures or to keep the  
4 dealership?

5 A. To keep the dealership.

6 Q. Is that Gyro-Trac's position at the time?

7 A. I can tell you what my position was.

8 Q. Sure.

9 A. That might be helpful.

10 Q. Sure.

11 A. The dealership arrangement has contractual requirements.  
12 They meet minimum sales requirements. I actually helped them  
13 meet some of their minimum sales requirements myself  
14 personally. They're in East Texas and they had all the  
15 adjoining states as their territory. It's a huge territory.  
16 There is a boat load of business in that part of the world.  
17 There should have been many times more than five machines sold  
18 in almost two years. So from my point of view, in having gone  
19 there and tried to bring them to speed, try to get them to go  
20 and do the show-and-tow, which you have to do every day, not  
21 once a week, not once a month, but every day on the road  
22 looking for new people, that's how the business works, that  
23 was not happening. The sales were not happening. Five sales  
24 in a year and a half or two years is ridiculously out of line  
25 with the market.

1 Q. There is a boat load of business to be had there?

2 A. Yes.

3 Q. And this dealership was terminated in February of this  
4 year?

5 A. Yes.

6 Q. How has Gyro-Trac done in that same territory with that  
7 boat load?

8 A. I have no idea, and it would have required me to go do  
9 it.

10 Q. And you left the company in May?

11 A. Uh-huh.

12 Q. And this dealership was terminated in February?

13 A. Uh-huh.

14 Q. But even before the termination you were participating in  
15 helping them make sales; correct?

16 A. Uh-huh. Yes.

17 Q. Well, let's say between February and May, how did  
18 Gyro-Trac do with the boat load of business opportunities that  
19 were available to sell machines in that territory?

20 A. I don't know what was sold in that period. I'd have to  
21 have a record. I don't know.

22 Q. As you're sitting here today, can you recollect Gyro-Trac  
23 selling one machine in that boat load of business territory?

24 A. I didn't sell any. I didn't go over there and try. I  
25 got put onto government business and got taken out of the

1 loop.

2 Q. As we're sitting here today in November 2006, do you have  
3 any idea how Gyro-Trac has done with this boat load of  
4 business?

5 A. None whatsoever.

6 Q. Is there a specific sale that you think Rowmec could have  
7 made that they didn't?

8 A. No.

9 Q. Before this termination letter was sent, could you  
10 testify to the jury in this case under oath that there was a  
11 single sales opportunity that Rowmec missed in its territory?

12 A. The question is -- I'm going to have to ask a question  
13 about the question because the question is not answerable in a  
14 yes or no format. Is that okay with you?

15 Q. I'm happy to clarify my question.

16 A. Clarify your question.

17 Q. One of the justifications for terminating the dealership  
18 was Rowmec is not selling what Gyro-Trac thought Rowmec should  
19 sell in its territory?

20 A. Yes.

21 Q. Would you agree with that?

22 A. I agree with that.

23 Q. Now, you have sort of general business ideas that they  
24 should have been selling, quote, a lot more because, quote,  
25 there's a boat load of business to be had?

1 A. Yes.

2 Q. Right. Let's start with this. What do you base that on?

3 A. I base that on what other companies are doing and what I  
4 did myself in the territories I was selling in. I can 12 to  
5 14 machines a year on average.

6 Q. What territories were you in?

7 A. Southeastern United States primarily.

8 Q. Do you know whether that market is the same market as the  
9 Texas market, for example?

10 A. It's almost identical. Mentalities are different of the  
11 people, mentalities, but the market is. Development that's  
12 going on what these machines are in. It's there.

13 Q. And so you believe that if you can do it in the Southeast  
14 United States, your assumption was that all the other markets  
15 in the US are exactly the same?

16 A. Absolute not. That would be ludicrous.

17 Q. But you believe Texas --

18 A. Texas is -- East Texas and Louisiana, Mississippi are  
19 definitely hot markets for this kind of equipment definitely.

20 Q. And what's the competition like in East Texas?

21 A. Mostly you've got Fecon, Raycon, Timer Axe, Hyper Axe.  
22 There's a bunch of them.

23 Q. Okay. To be clear, you as a sales guy for Gyro-Trac, you  
24 had certain expectations of what the market should do; right?

25 A. Absolutely.



1 Q. And you believe that Rowmec wasn't capturing the full  
2 potential of the market; correct?

3 A. Absolutely.

4 Q. And as you're sitting here, though, you can't tell us one  
5 specific example of a sale that they lost that they should  
6 have made?

7 A. You're splitting a hair, so I'm going to answer it as  
8 you're splitting a hair. Okay. Can I respond anyway or what?

9 Q. You are free to respond, but the editorializing about the  
10 question we're going to make an objection.

11 A. Oh, that's fine. As long as I can answer.

12 Q. The question is, even though you have these criticisms of  
13 Rowmec, as you're sitting here today, you can't give us one  
14 concrete, specific example of a sale that they missed?

15 A. No. Now I'm going to go to my answer.

16 Q. Okay.

17 A. This is a very specific reason I'm going to this answer.  
18 Anybody that came to Rowmec and wanted to buy a machine got  
19 the machine. But that's not the business. We're not  
20 order-takers. In order to do this business, you go on the  
21 road and find customers and you beat down the doors and get  
22 the work done. They were not doing the work to find customers  
23 to make real business.

24 And the second part of this answer that you're  
25 not going to like is, the reason I thought when I came out of

1 the hospital and when this thing always coming back in '03,  
2 this was a good idea, they could make a lot of money in that  
3 market, because I knew that market and I thought this would be  
4 a good way for everybody to win and for them to make money.  
5 And it's there and they didn't do it.

6 Q. And as you're sitting here today, you can't tell the jury  
7 whether or not Gyro-Trac has practiced what you're preaching?

8 A. I don't know what they're doing.

9 Q. So whether or not this great boat load of opportunity in  
10 the land of milk and honey in Texas, you don't know whether or  
11 not Gyro-Trac has done a single thing with it?

12 A. Can't tell you.

13 Q. But nevertheless, this was a reason to fire Rowmec?

14 A. Yes.

15 Q. The next thing on the list is failure to properly train  
16 service and sales staff. That's the next reason Rowmec was  
17 fired?

18 A. Yes.

19 Q. What specifically were the shortcomings in that regard?

20 A. The service was something that Victor and everybody came  
21 up with. The sales portion of this was the sales person that  
22 I had to work with was John, Jr., which is senior's son,  
23 obviously. He's a very smart young man. My problem overall  
24 was that he spent his time in the shop and not out on the  
25 road. He was always in the business with the shop, but wasn't

1 a salesman. And I -- many times we explained in the beginning  
2 there had to be a salesman on the road and he had to be  
3 specific to selling this product. I think that's part of the  
4 contract, actually. And then I needed to be able to train  
5 somebody and know they'd be on the road. That didn't happen.  
6 John is a very bright young man and he can do the sales, but  
7 mostly he spend his time running the business and doing  
8 whatever. He stayed at the office. I have to have a salesman  
9 who is on the road with a vehicle with that machine that we  
10 gave them to do the demonstrations with on the road  
11 demonstrating that machine on a regular basis.

12 Q. You agree with me, they don't have a machine, they can't  
13 do the demos?

14 A. I agree with you. They had machines, though, so I don't  
15 know what your point is.

16 Q. Other than what you just told me, are there any other  
17 specific concrete examples you can give me of failure to  
18 properly train service staff?

19 A. That's it.

20 Q. John Junior. That's it?

21 A. No salesman. That's it.

22 Q. Next on the list is use of consigned Gyro-Trac equipment  
23 for Rowmec's benefit. What does that mean?

24 A. Gyro-Trac gave Rowmec a GT-18 modification with new  
25 planar tooth technology for their demonstration machine. I

1 was doing some demo work for them down there, and was told  
2 specifically by a customer but he has was in South Texas, that  
3 he had a contract for some amount of land to do. And Rowmec  
4 took the contract and did the contract, and basically, he  
5 said, took the contract out from under him, or away from him,  
6 however.

7 Q. Interesting. Who was that customer?

8 A. His name is not in my head. I don't know. John would  
9 know because he was John Junior's -- at least was there on  
10 that, so John junior would know who that was. He's in South  
11 Texas and he had a sharp -- I'm trying to think. I just can't  
12 remember.

13 Q. Well, what were the circumstances surrounding that?

14 A. Well, we were demoing this equipment and he was unhappy  
15 because we had told him he had this contract and  
16 circumstances, as I recall.

17 Q. What was the contract that the guy said he had?

18 A. I don't recall the numbers or what. Just had some land  
19 he was going to clear and they got the contract and they came  
20 and they came and cleared the land with Gyro-Trac machine.

21 Q. Did this customer, whose named you can't remember, tell  
22 you whether or not he had a written contract to clear the  
23 land?

24 A. He didn't tell me that.

25 Q. Did he ever tell you for sure he was going to clear the

1 land?

2 A. It's been a long time.

3 Q. Did you follow-up and ask him what are you talking about,  
4 what contract, let me have some details here?

5 A. No.

6 Q. You never did that?

7 A. No.

8 Q. Did anybody else at Gyro-Trac ever do that?

9 A. No.

10 Q. Did you tell John O'Hagan this funny complaint?

11 A. I did.

12 Q. What did John tell you?

13 A. He said it was a contract he had, or something to that  
14 effect. His contract.

15 Q. Did you get involved kind of as a referee who was right  
16 or who was wrong?

17 A. No. I let it drop.

18 Q. As you're sitting here today, can you tell the jury who  
19 was right or who was wrong in that dispute if there even was a  
20 dispute?

21 A. No.

22 Q. Whether or not that customer was even telling the truth?

23 A. No, I can't.

24 Q. But nevertheless that was a reason to terminate this  
25 dealership in your mind?

1 A. There was other evidence of this use of equipment in my  
2 mind.

3 Q. Great. I want to hear it. What was it?

4 A. The machine went over there with 900 or a thousand hours  
5 and came back with 800 hours on it.

6 Q. What does that mean?

7 A. 800 more hours, so 1,800. That means 800 odd hours that  
8 machine was used. Since we weren't together and showing and  
9 we weren't demonstrating, how did it get 800 more hours on it,  
10 and the machine came back. When I saw the machine, I was  
11 appalled when I saw the machine. The head on that machine,  
12 the teeth were worn clear down to the house. The thing was  
13 abused.

14 Q. And what machine was that?

15 A. The GT-18 modification we had given them for  
16 demonstration purposes.

17 Q. When did that happen?

18 A. They got the machine a year and a half earlier. It was  
19 repossessed just before I left the company. I saw it in the  
20 yard.

21 Q. And did you talk to John about it? Did you ask him hey,  
22 what happened here?

23 A. No. Like I said, I hadn't seen the machine. They  
24 repossessed it at Gyro-Trac very, very shortly before I left,  
25 before I quit the company.

1 Q. Did you see the machine before or after the dealership  
2 was terminated?

3 A. After.

4 Q. Did you this 800-hour issue, I'll call it, that even come  
5 to your attention before the termination letter was sent?

6 A. Yes.

7 Q. How did it come to your attention?

8 A. I guess Victor probably brought it up in a meeting. That  
9 would be how it would normally come.

10 Q. Call John and say what's the explanation for this?

11 A. I didn't. I don't know if anybody ever did.

12 Q. Did anybody ever call up John and say, hey, we need an  
13 explanation and we're going to fire you as a dealer over this?

14 A. I didn't. I don't know if anybody else did.

15 Q. Do you believe that before you will fire a dealer it  
16 might be reasonable to call them up and say, hey, what's the  
17 story here?

18 A. Yes.

19 Q. But that never happened?

20 A. I didn't do it.

21 Q. To your knowledge, did anybody ever do it?

22 A. I don't know.

23 Q. So other than this uninvestigated situation, 800 hours on  
24 the machine and this uninvestigated whose name you can't  
25 recollect, maybe truthfully maybe not, that John took a

1 contract away from him. Are there any other examples you can  
2 tell the jury about this case where Gyro-Trac used consigned  
3 equipment for its benefit?

4 A. You mean where Rowmec used.

5 Q. I'm sorry, Rowmec. Other than that.

6 A. The hours and the customer is what convinced me.

7 Q. So in your mind these unconfirmed, undiscussed,  
8 uninvestigated submissions was enough to terminate a  
9 dealership over?

10 A. This particular, yes, sir.

11 Q. And then the last is failure to meet minimum sales  
12 requirements?

13 A. Uh-huh.

14 Q. We've already talked about that; right?

15 A. Uh-huh.

16 Q. Kind of a repetition of things already covered?

17 A. It is.

18 Q. What I've tried to do with you here today, Mr. Flournoy,  
19 is go through and identify the specific examples, everything  
20 that, at least, you were aware of at the time this termination  
21 letter was sent that justified in Gyro-Trac's mind the  
22 termination of the dealership, you understand that's the  
23 conversation we've been having?

24 A. Yes, sir.

25 Q. Is there anything else that comes to mind that you think



1 is important for the jury to hear in this case justifying the  
2 termination of this dealership?

3 A. No, sir, I don't think so.

4 Q. Do you believe that Gyro-Trac was justified in  
5 terminating the dealer relationship when you wrote the letter  
6 that is Exhibit 2?

7 A. Yes, sir.

8 Q. Do you believe that Rowmec held up its end of the bargain  
9 in terms of trying to be a good dealer for Gyro-Trac?

10 A. Trying, yes. Getting it done, no.

11 Q. And ultimately in your business, that's what it's all  
12 about, isn't it, getting it done?

13 A. Yes, sir.

14 Q. Is the floor plan arrangement I believe that you and  
15 Mr. O'Hagan reached concerning getting the \$700,000 balance  
16 back under control; is that right?

17 A. Yes. Terminology is a little off. This isn't a floor  
18 plan. A floor plan is the line of credit. This is actually  
19 an attempt to find the way to make sales and through the sales  
20 be able to supply John O'Hagan's business with enough money to  
21 keep it fluid and still get Gyro-Trac paid back so we get paid  
22 down to -- somewhere the goal was to get around \$200,000 or  
23 thin line of credit, so room in the line of credit to buy  
24 equipment.

25 Q. At the injunction hearing both you and Mr. O'Hagan

1 testified that this agreement was reached and it was the  
2 intent of both parties to operate under this agreement. Would  
3 you agree with that?

4 A. Yes.

5 Q. If you go to the section where it says payments to GT  
6 outstanding. Do you see that?

7 A. Uh-huh.

8 Q. Why don't you explain to the jury how this was supposed  
9 to work just in --

10 A. Let me see if I can figure that out.

11 Q. Just take that, if you want it. Whatever.

12 A. Can I take that? That would be easier than looking at  
13 the screen.

14 Q. Sure.

15 A. I'm going to review this a minute because it's been a  
16 while since I've seen this. The way I worked this out is they  
17 had -- say I'm working with Wright Tree, GT-25 sales, the  
18 first one was sold, the second one was sold, that's why I put  
19 sold out here. So there was -- I didn't give -- because we  
20 were trying to get the balance down, they agreed to this --  
21 John agreed to this -- I only gave them -- let's see, pay  
22 Gyro-Trac 27,000 and I think that left 15,000. No, I have to  
23 work out my numbers here. We were in the hole on that deal.  
24 That's right. They were in the hole on that deal because they  
25 sold that for something less than the 200,000. Yeah, sold

1 that for something less than the \$275,000. I got to work this  
2 out a little bit. The gist of this thing, just to be very  
3 clear, is they had two or three sales. Two sales sold. They  
4 agreed to give me this \$100,000 you see on the second deal  
5 which is the second Wright Tree deal that was to be paid  
6 towards --

7 Q. Outstanding balance?

8 A. -- and they this I believe. I think I remember they gave  
9 us that. And then every sale that was made from then on was  
10 going to be split up according to a payment to Gyro-Trac,  
11 which is where it says pay to Gyro-Trac, and then the balance  
12 of that commission was paid to them. In fact, the way I had  
13 set it up was that the deal would be made and the moneys would  
14 go to Gyro-Trac and Gyro-Trac would distribute the money to  
15 itself and back to Rowmec. The goal was within 10 machines I  
16 had it to where they were down to \$211,000. That was the plan  
17 I had worked out. And I don't think we had a time frame on  
18 it, but we might have.

19 Q. Did Gyro-Trac get the payments that Rowmec agreed to pay  
20 to them?

21 A. I'm pretty sure they got the 100,000. I don't know about  
22 the rest. I'm pretty sure they got the 100,000.

23 Q. Do you know whether or not this arrangement was ever  
24 successful?

25 A. It became not successful. At some point Rowmec stopped

1 *paying or --*

2 *Q. Was that part of the reason why you felt that it was*  
3 *justified they be terminated?*

4 *A. Absolutely.*

5 *Q. Do you know an accountant by the name of Steve Quirion?*

6 *A. Yes.*

7 *Q. Do you consider him to be a competent accountant?*

8 *A. No, I don't.*

9 *Q. You don't. Okay. Do you know if Mr. Quirion has the*  
10 *equivalent of a CPA license in Canada?*

11 *A. No idea.*

12 *Q. Would it be fair to say at this point in time you don't*  
13 *have personal knowledge at all about the status of the balance*  
14 *between Rowmec and Gyro-Trac?*

15 *A. I have no knowledge. I do not know what's going on.*

16 *(Videotape deposition stopped)*

17 *MR. BANDAS: At this time we would call Steve*  
18 *Quirion by videotape deposition.*

19 *(STEVE QUIRION, Plaintiff's witness, via videotape)*

20 **EXAMINATION**

21 *(Videotape playing)*

22 *BY MR. BANDAS:*

23 *Q. Good afternoon, would you please state your name for the*  
24 *record.*

25 *A. My name is Steve Quirion.*